

STATE OF DELAWARE DEFERRED COMPENSATION PROGRAM

INSTRUCTIONS FOR COMPLETING UNFORESEEABLE EMERGENCY WITHDRAWAL APPLICATION

The 457 Program has specific guidelines set by the Internal Revenue Service (IRS) relating to unforeseeable emergency withdrawals. These rules must be strictly followed to protect the tax-exempt status of the investments of all members of the Program. Savings in the Program are to be used as a source of last resort to reimburse participants for expenses incurred due to an unforeseeable emergency. All documentation must be provided to support the circumstances of the emergency and to document the amount needed.

Section 1.

Complete the Participant Information.

Section 2.

Explain briefly and directly the reasons for your unforeseeable emergency withdrawal application. You may attach a second sheet of paper if necessary. The Internal Revenue Code does NOT allow withdrawals for the purchase of a home or for college expenses.

Section 3.

List the expenses directly related to your unforeseeable emergency. Do not list total balances due on credit cards, mortgages, car loans, etc. These balances represent future obligations and are not considered an emergency for the present. Payments that are two or more months behind may be listed, if they are directly related to your unforeseeable emergency (e.g., if caused by loss of income). **Delinquencies not caused by a qualifying emergency do not qualify for unforeseeable emergency withdrawals.**

Section 4.

No documentation is required for this section; however, you will be signing a statement attesting that the information listed is true and accurate.

Section 5.

You are required to list all household incomes on a monthly basis. Report all amounts in whole dollars, rounded to the nearest dollar. Do the same for Federal Tax (FWT), all other deductions and Net Income. You are required to supply a copy of your payroll advice (no more than two months old), your spouse's payroll advice or pay stub, and to provide documentation for any other income listed to verify the figures shown in this section.

Section 6.

Letter size photocopies of invoices or bills for all expenses listed must be provided except for food, clothing and other transportation expenses, which may be estimated. Details for recording each expense category follow.

- a) Home mortgage or rent payments – This may be documented with a photocopy of the Mortgage stub, money order, letter from a landlord, copy of a lease agreement. Do not send check carbons.
- b) Basic utilities – Photocopies of electric, water, sewer, gas, heating oil and telephone bills must be provided if they are included in this category. If you do not have a particular bill or cannot provide a photocopy of the money order satisfying the bill, do not add it into the figure listed.
- c) Other utilities – Photocopies of cable, cell phone, internet, home security bills must be provided if they are included in this category.
- d) Food and clothing - Provide a reasonable estimate based on the number of persons in your family.
- e) Car payments – Photocopies of the payment stub, money order, etc.
- f) Other transportation expense – Provide a reasonable estimate for gas, parking, bus passes, etc.
- g) Credit cards - Letter size photocopies must be provided for any credit card expenses listed. Minimum payments required should be listed. For example, if your minimum payment to Visa is \$20 and your minimum to Discover is \$29, list the total of \$49. Do not list what you normally pay. Only minimums are considered. Do not list credit consolidation companies or finance companies such as CCCS or Beneficial. These payments should be listed under subsection “k)” as “other,” and must be accompanied by a corresponding letter size photocopy. All photocopies showing minimums owed must add up to the total listed on the application.
- h) College expenses – If you are currently paying college expenses for yourself or a dependent, you may list the expense by taking a monthly average for the current semester and providing supporting documentation, or by providing a current bill owed and listing that bill.
- i) Insurance premiums – Letter size photocopies must be provided for all insurance premiums not deducted from your pay check. If your car insurance is not paid on a monthly basis, compute a monthly average from the quarterly or semi-annual premium payment.
- j) Child support – Letter size photocopies must be provided of the section of the Child Support Order or Separation Agreement stating the amount to be paid each month and a copy of a current statement of payments from the Division of Child Support Enforcement.
- k) Other – List any other expenses for which you can provide letter size photocopies that verify amounts listed and paid. Such categories may include Day care, Bank loans, Payments to finance companies, Uninsured medical expense, etc.
- l) Total all expenses

Section 7.

Sign and date form.

All Unforeseeable Emergency Withdrawal Applications must include the following items, stapled in this order:

1. Unforeseeable Emergency Withdrawal Application Form
2. Federal and State Tax Returns for the last two years
3. Copy of application to a bank, credit union or other financial institution for a loan showing the amount requested
4. Letter denying credit from the above financial institution
5. Payroll advices or stubs
6. Copies of statements, loan stubs, money orders, etc. which document:
 - a) Mortgage/rent payments
 - b) Utilities payments
 - c) Car payments
 - d) Credit cards – minimum payments due
 - e) College expenses
 - f) Insurance premiums
 - g) Child support payments
 - h) Other expenses
7. Documentation of the emergency expenses relating to the qualifying event that constitute the unforeseeable emergency withdrawal including a letter from the creditor stating that a payout plan is not permitted.

Paperwork must be neat, clean and unfolded. Please allow one month for review of your application and notification of final determination. The decision of the Council or its agent is final.